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IN THE

Supreme Court of the United States

October Term, 1966

No. 812

MAX J. LUGASH and MAXON INDUSTRIES, INC.,
Petitioners,

vs.

SANTA ANITA MANUFACTURING CORPORATION,
Respondent.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT.

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Max J. Lugash and Maxon Industries, Inc. petition that a writ of certiorari issue to review of a judgment of the United States Court of Appeals for the Ninth Circuit, filed December 6, 1966 and modified by an Order entered April 6, 1967.

Opinions Below.

The opinion of the Court of Appeals (App. *infra*, pp. 30-38) is reported at 369 F. 2d 964. The Order of the Court of Appeals modifying this opinion is unreported (App. *infra*, p. 39). The District Court's opinion (App. *infra*, pp. 1-13) is reported at 254 F. Supp. 96.

Jurisdiction.

The judgment of the Court of Appeals for the Ninth Circuit was filed on December 6, 1966 (App. *infra*, pp. 30-38). A timely Petition for Rehearing was denied on April 6, 1967 by an Order (App. *infra*, p. 39) that also modified the opinion of December 6, 1966. The jurisdiction of this Court is invoked under 28 U.S.C. 1254(1) and that of the District Court arose under 28 U.S.C. Section 1338(a).

Questions Presented.

Petitioners' two patents in suit are for stowable power loaders for trucks, sold as Tuk-A-Way loaders. The claims of both patents are combinations of known elements and have been held invalid by the Court of Appeals construing *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 340 U.S. 147 (1950) as dictating that combination patents are a special case and subject to a severe test of a new function as a *sine qua non* of patentability. The questions presented therefore are:

1. Whether, as applied to petitioners' combination patents, the action of the Court of Appeals is contrary to the decision of this Court in *Graham v. Deere*, 383 U.S. 1 (1966) as an unconstitutional breach of judicial duty to give effect to the Patent Act of 1952.

2. Whether the Ninth Circuit's construction of *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp., supra*, as dictating a special test for combinations can be reconciled with 35 U.S.C. 103.

Constitutional and Statutory Provisions Involved.

The Eighth Clause of Article I, Section 8 and Amendment V of the United States Constitution, and Sections 101, 102, 103, 112, 154 and 282 of Title 35, United States Code, are involved herein and are printed in the Appendix, *infra*, pp. 40-42*.

Statement of the Case.

This case relates to loader attachments for trucks, to raise and lower heavy freight between ground level and truck bed level.

Petitioners' patent No. 2,837,227 [Pltfs. Ex. 1, hereinafter called the '227 patent] is on a stowable power loader, *i.e.*, for its inactive or traveling position it is elevated to a concealed position beneath the bed of the truck. Thus, it does not interfere in any instance where mechanical power is unnecessary for the particular freight being handled but, nevertheless, is immediately available for use whenever power is necessary to handle the load [R. III, 118, 119].

No claim at issue has less than five elements. The broadest, claim 8, is for the combination of

(a) a pair of parallel rule linkage systems

(b) a platform

---

*The record references in this petition are to the record as prepared by the Court of Appeals. Volumes I and II consist of the Clerks' transcripts of proceedings in the District Court and Court of Appeals, with certain exhibits comprising copies of the two patents in suit and the prior art patents. Volumes III to VII consist of the reporter's transcript of the trial court proceedings.

(c) connections between the linkage systems and platform comprising

(1) hinge means permitting inversion of the platform into superposed position on the linkage systems and

(2) stop means to support the platform in load carrying position

(d) power means to lift the platform or to allow it to descend

All of the elements are functionally interrelated to carry out loading operations, mechanically, and to stow the loader, mechanically, with but one manual step intervening between the loading and stowing phases. In the lowered position of the mechanism, the platform is manually swung about the hinge between a level, load bearing position and an inclined, inverted position superposed on the two downwardly inclined linkage systems. The platform however, is differently functionally related to the linkage systems in the loading and stowing phases.

In loading, the linkage systems maintain the extended platform level during raising and lowering so loads will not tip. In stowing, the linkage systems swing the inverted platform from a lowered, downwardly pointing position to a fully raised, upwardly pointing position of concealment beneath the bed of the truck. Thus, in stowing, the platform maintains a superposed parallel relationship to the linkage systems as the latter are moved by the power means between downwardly and upwardly pointing positions [R. III, 107-119].

In 1957, petitioner Max J. Lugash filed his application for the '227 patent and, individually, commenced

manufacture of the '227 loader under the trademark Tuk-A-Way [R. IV, 290, 291]. Although some prior patents evidence attempts to provide a manually stowable loader, the Tuk-A-Way loaders were the first loaders that could be stored in an out of the way position ever to come into successful use in the trucking industry. Previously, the only loaders of any commercial significance were tailgate loaders, *i.e.*, the load platform served also as the tailgate to close the rear end of the truck bed, in which truckers had long recognized several disadvantages.

A tail gate loader must be operated at every pickup or delivery point, irrespective of any need for power to handle heavy loads, merely to gain access to the truck bed; the truck could not be backed up flush against a loading dock—instead the platform bridged the gap between truck and dock, frequently resulting in serious damage to the tailgate loader when heavy fork lifts were run over the platform; many manhours were wasted daily by truck drivers merely in operating the tailgate loader just to get it out of the way in instances where there was no need for a power loader; in the truck rental business, tailgate loaders failed to penetrate that market significantly because of the greatly diminished rental opportunities for a truck equipped with a tailgate loader [R. III, 20-200].

When petitioner Lugash entered the field in 1957, tailgate loaders had been in common use since about 1945 and were being made by many companies, including respondent [R. III, 24, 58; R. IV, 339]. By September 1960, respondent learned of petitioners' Tuk-A-Way loader and of the '227 patent and then commenced selling the infringing loaders as Folda-Lift,

which in 1963 comprised 34% of respondent's loader sales [R. VI, 520, 574, 581; Pltfs. Ex. 20]. Petitioners' suit for infringement was commenced in 1962, under 28 U.S.C. 1338(a).

The District Court held the '227 patent valid and infringed (App. *infra,* p. 25). In reversing, the Court of Appeals held one general finding, No. 8, to be partially erroneous and left intact all of the findings specifically establishing lack of anticipation and nonobviousness over specific prior art of the combinations actually claimed by Lugash. Notwithstanding the novelty and nonobviousness thus conceded, the Court of Appeals held that lack of a "new function" in the '227 loader dictated invalidity (App. *infra,* p. 37).

Petitioners' second patent No. 2,989,196 [Pltfs. Ex. 2, hereinafter called the '196 patent] is for an improved species of the stowable loader of the first patent, *i.e.,* a unitary stowable loader attachable as a unit at any desired location under a truck bed. The District Court held the Lugash '196 patent to be invalid under 35 U.S.C. 103 and, *inter alia,* because of a lack of new function of the old elements of the combination (App. *infra,* p. 26). The decision of the trial court occurred prior to *Graham v. Deere,* 383 U.S. 1 (1966) and that of the Court of Appeals was subsequent to *Graham v. Deere.* The Court of Appeals in its opinion neither affirmed nor rejected the trial court's holding under 35 U.S.C. 103 and affirmed the trial court solely on the basis of lack of new function (App. *infra,* pp. 37, 38). Thus, petitioners' cross-appeal with respect to validity of the Lugash '196 patent has not been reviewed on the basis of the Patent Act of 1952.

Reasons for Granting the Writ.

This Court recently focused its attention on the criteria of patentability in *Graham v. Deere,* 383 U.S. 1 (1966). There the Court took note of the effect on judicial criteria of "invention" of the enactment of 35 U.S.C. 103 "nonobviousness" in the Patent Act of 1952 and declared the duty of courts to give effect to the Congress' plan. However, subsequent decisions by the Ninth Circuit, under the guise of deference to *Graham v. Deere,* are a clear breach of that duty in striking down combination patents on the sole basis of certain non-statutory judicial criteria of "invention" expressly disapproved in *Graham v. Deere.* Unless this schism is checked by exercise of certiorari jurisdiction, now, the uniformity of patent administration called for by Congress in the 1952 Act cannot be attained and the viability of *Graham v. Deere* in the Ninth Circuit will remain in mortal danger.

1. The decision of the lower court declares as law that a combination of known elements cannot, under any circumstances, be patentable unless the elements perform a new function. The Ninth Circuit has decided this federal question in a way in direct conflict with *Graham v. Deere, supra.*

In each of the companion cases in *Graham v. Deere, supra,* and in *United States v. Adams,* 383 U.S. 39, there was involved the question of patentability of combinations of known elements. The Court held that the Congress, in the three tests of 35 U.S.C. 101 Utility, 102 Novelty, and 103 Nonobviousness, consistently with the Constitutional objective, had mandated three exclusive dimensions of patentability. *Graham v. Deere,* 383 U.S. at 3, 4, 6. In the case at bar, the Ninth Circuit prefaces the rationale of its decision with the

quaere, "Basically the issue is: Under what circumstances is a combination of known elements patentable as an invention?" (App. p. 33), just as though controlling authority had not just definitively answered the question. Then, after conceding that the trial court tested patentabiilty of Lugash '227 by the requirements of 35 U.S.C. 103, the Ninth Circuit concludes by holding this patent invalid on the basis of a fourth dimensional test of "new function".

It is manifest from the circuit court's opinion that it has adopted this non-statutory fourth dimension as a supreme test, superior to the three statutory dimensions erected by Congress in the Patent Act of 1952. The Ninth Circuit does this in a positive manner. Regarding petitioners' '227 patent, it said,

> "But in the special case of combination patents, the 'severe test', . . . must (also)* be applied and satisfied before a combination patent can be recognized."
>
> "It is obvious from the authorities cited above that the test of a new function must be met or the patent is invalid."
>
> "*Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp., supra,* dictates that the patent is therefore invalid." (App. *infra,* pp. 35, 37).

Regarding petitioners' '196 patent, the Ninth Circuit said:

> "As discussed above, the addition of another element of prior art cannot make the device patentable unless it then performs a new or surprising function." (App. *infra,* p. 38).

*The word "also" was deleted by the Court of Appeals' Order (App. *infra,* p. 39) denying the Petition for Rehearing.

The decision of the Ninth Circuit is exclusively based upon a point, "new function", which this Court in *Graham v. Deere, supra,* said could not be a definitive base of decision, consistently with the Patent Act. In *Graham,* the Eighth Circuit, in its decision at 333 F. 2d 529, at 534, was dealing with the "functional result" of the flexing of a plow's spring clamp and had relied on *Great A & P Tea Co. v. Supermarket Equipment Corp.,* 340 U.S. 147, as requiring a combination of known elements to have a new function or result, irrespective of 35 U.S.C. 103, "nonobviousness". In the case at bar, with respect to petitioners' '227 patent, the Ninth Circuit said (mistakenly, *infra,* pp. 15, 16) that Finding of Fact 8 was the only reference to a new function, upset the finding, partially, and then reversed the trial court's finding of validity of this patent, while conceding that it was "apparent from the record and findings that the trial court tested patentability by the requirements of 35 U.S.C. 103, the test of obviousness" (App. *infra,* p. 35). Both circuits relied on *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.* as authority for the rule applied by them. Thus, the Ninth Circuit follows a rule of decision in clear conflict with this Court's explicit rejection of the Eighth Circuit's use of that rule in *Graham v. Deere,* 383 U.S. at 4.

Further, the Ninth Circuit is in conflict with other circuits on this point. Construing *Graham v. John Deere Co.* the Seventh Circuit has held "the 'unusual and surprising result' as a controlling factor has gone with the 'flash of creative genius' ". *Walt Disney Productions v. Fred A. Niles Communications Center, Inc.* 369 F. 2d 230, 234. Also on this point, the Eighth

Circuit has now held "the Supreme Court in the *Graham* case determined on this issue that a somewhat similar standard was incorrect, and held that the 'test of obviousness' was the *only* correct test to be applied in determining whether a new combination of known components amounts to 'invention'". (Court's emphasis) *American Infra-Red Radiant Co. v. Lambert Industries,* 360 F. 2d 977, 988, certiorari denied .... U.S. ...., this Term.

Obviously, the position of the Ninth Circuit on this very important point cannot be reconciled with that of the Seventh and Eighth Circuits. They are in direct conflict on precisely the same point of federal law so that certiorari jurisdiction ought to be exercised to secure harmony of decision.

2. The Ninth Circuit singles out combination patents as a "special case" subject to the *sine qua non* of "a severe test" of "new function"* (App. *infra,* p. 35) despite the fact that Congress has legislated a three dimensional test for uniform application to all patents. Such extra-statutory discrimination directly conflicts with the Patent Act of 1952 and deprives petitioners of their patent rights as against respondent without due process of law.

The logical consequence of the Ninth Circuit's position is that no patent for a combination of known mechanical elements can be valid. How can it ever be possible for any mechanical element to perform any function other than that which is its mechanical nature? This posture of the Ninth Circuit is of par-

*The Ninth Circuit has done so in *Bentley v. Sunset House,* 359 F. 2d 140, *Jedelloh v. Coe,* No. 1438, this Term, and *Lugash v. Santa Anita.*

amount importance since "substantially every invention is for such a 'combination'; that it to say, it consists of former elements in a new assemblage". *Reiner v. I. Leon Co.* (C.A. 2, 1960), 282 F. 2d 501, certiorari denied 366 U.S. 929; *Cf. Parks v. Booth,* 102 U.S. 96, 104 (1880).

The Ninth Circuit's declaration that combination patents are a "special case" subject to "a severe test" is not even susceptible of meaningful interpretation. Does it mean that other patents are subject to relatively lenient tests? How is one to determine the requisite degree of severity for evaluating combination patents; is the "flash of genius" a severe enough standard? Such rationale cannot be squared with the Patent Act or this Court's statement in *Graham v. Deere* that "The emphasis on nonobviousness is one of inquiry, *not quality* and, as such, comports with the constitutional structures", 383 U.S. at 17 (emphasis added). So this Court has ruled that the test of 35 U.S.C. 103 does not contemplate various degrees of nonobviousness, notwithstanding which the Ninth Circuit says that its non-statutory test is a "severe" one, impliedly more severe than tests of patentability of nonmechanical patents.

In erecting a supreme, special, fourth dimension of patentability for combinations of known mechanical elements, the Ninth Circuit has gone beyond the constitutional limits of judicial power. *Gibbons v. Ogden,* 22 U.S. (9 Wheat. 1) 196-7 (1824). Surely it is the province of Congress, and not of the Ninth Circuit, to say that patents for mechanical combinations should be subject to tests of patentability which are more severe than and different from tests for patents on chemical

or electrical inventions, a proposition that simply cannot be gleaned from the Patent Act of 1952*. The Ninth Circuit cannot, with judicial propriety, read into the Act words which are plainly missing. *Electric Storage Battery Co. v. Shimadzu*, 307 U.S. 5, 14 (1939). The lower court cannot thus re-write the Patent Act to include the Ninth Circuit's questionable interpretation of *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Co., supra*, where Congress did not see fit to do so.

We submit that with respect to the '227 patent, petitioners have been deprived of their statutory right under 35 U.S.C. 154 (App. *infra*, p. 42) to exclude respondent from the use of the claimed invention solely on the basis of a nonstatutory ground and so have been deprived of the essence of their patent right without due process of law. With respect to the '196 patent, the sole basis of the Ninth Circuit's decision was, again, nonstatutory whereby petitioners have been deprived of appellate review of the propriety of the trial court's action within the framework of the Patent Act. These violations of the due process clause of Amendment V to the United States Constitution are correctible only by this Court.

3. In this case, the Court of Appeals has read findings out of context in order to find lack of a certain "new function"; it has overlooked another, unchallenged "new function" of Lugash '227, which would logically

*35 U.S.C. 282 enumerates defenses in Patent actions and says, *inter alia*, "invalidity of the patent or any claim in suit on any ground specified in Part II of this Title as a condition for patentability". Part II of Title 35 sets forth only Sections 102 and 103 as "conditions for patentability", neither of which, by any tenable interpretation, connotes any test of a "new function or result", to be applied more or less severely to any special class of patents.

compel a holding of validity under the very test used to defeat the patent; it overrules, *sub silentio,* its own prior precedent by which combination patents could be saved from the rule of *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp., supra,* irrespective of any "new function", when that precedent was relied on by the trial court. A question is thus raised as to whether the Ninth Circuit has so far departed from the usual and accepted course of judicial proceedings as to warrant the exercise of the supervisory authority of this Court.

The appellate court neglected to treat each of the claims in suit independently of the others, directly contrary to 35 U.S.C. 282 (App. *infra,* p. 42). Instead, it treated the '227 patent throughout as though it were a combination of two elements, a parallel linkage system and invertible platform (App. *infra,* p. 33) a combination nowhere claimed by and not granted to Lugash. This is the same kind of appellate treatment of a patent condemned by *Altoona Publix Theatres v. American Tri-Ergon Corp.,* 294 U.S. 477, 487 (1935) and it is done despite Finding 7, which summarizes Claim 8 as a combination of five elements (App. *infra,* p. 16), and despite a *caveat* in petitioners' brief against such treatment of the claims [R. II 736 at p. 17].

The appellate court takes out of the context of Findings 15 through 17 (App. *infra,* p. 18) the trial court's phrase that in prior Novotney '403, "it is mechanically *possible* to invert the platform" and then gives no weight to the other holdings in this set of findings that when Novotney '403 is so viewed, it is not the same combination as any combination claimed by Lugash, it cannot work in the same way to do the

same work as Lugash, nor reach the result of Lugash (App. *infra,* p. 18). Further, while these findings explicitly point out that the feature of platform inversion is not shown in the drawings, nor described in the specification of Novotney, that fact cannot be gleaned from the appellate court's opinion. Indisputably, platform inversion is not inherent in Novotney—it is not a functional feature of Novotney but, rather, a feature entailing the sacrifice of the tailgate action of the platform, which it was the object of the Novotney patent to secure, and cannot properly be a basis of invalidity. *TopLiff v. Topliff,* 145 U.S. 156 (12 S. Ct. 825, 827).

There is no support in this record for the Court of Appeals' assumption (App. *infra,* p. 37) that what it calls "the 'for the first time' element" of Finding 8 was a finding made without consideration by the trial court of the possible pertinence of Novotney '403. Novotney was the primary basis of respondent's defense and was specifically tried, argued and found wanting at the trial with regard to this specific issue. It is unchallenged in this record that certain parts of Novotney's device are rendered useless by platform inversion and, with an inverted platform, it is impossible to fully raise the platform to a concealed position [R. VII, 894]. The essence of Finding 8 is that the '227 patent, for the first time, uses either or both of the power means and lifting arms of a loader to move an inverted platform to a *stored position,* a result that Novotney '403 cannot produce. Consequently, the trial court specifically relied in its opinion (App. *infra,* pp. 6, 7) on the Ninth Circuit's holding in *International Mfg. Co. v. Landon,* 336 F. 2d 723 at 726 to expressly

distinguish the '227 patent from the rule of *A & P*, a precedent which the same Court of Appeals now overrules, *sub silentio.*

Finally, the Court of Appeals said that Finding 8 is the only reference to a new function of the Lugash '227 loader (App. *infra,* p. 35) notwithstanding Finding 22's presence in the record (App. *infra,* pp. 19, 20). In the '227 patent, there is a dual coaction of the linkage systems and platform—there is a different functional relationship of the two in loading and stowing that is completely lacking in all of the prior art [R. III 879, 880]. Not a shred of evidence to the contrary was offered by respondent. This unchallenged new functional relationship of parallel linkage systems and platform in the '227 patent has not evaporated just because the Court of Appeals oversimplified the patent to the point where this new function was overlooked.

This novel dual functional relationhip of the platform and the linkage systems is a critical distinction of Lugash '227 over Novotney '403. It is one reason why Lugash '227 works and Novotney '403 does not work to raise an inverted platform to the "stored position" so frequently specified in Finding 8. Lacking this novel functional relationship, the platform of Novotney '403, if inverted (in accordance with Lugash's teachings, not Novotney's) opens or swings away from the lifting arms as the lifting arms are raised by the power means with the result that the platform strikes understructure of the truck, which prevents stowing the device. Incontrovertibly, Lugash works where Novotney does not which is, *per se,* under prior precedent of the Ninth Circuit, sufficient to take Lugash '227 out of the reach of *Great Atlantic & Pacific Tea Co. v. Super-*

market Equipment Corp., supra, under *Twentiers Research, Inc. v. Hollister,* 319 F. 2d 898, as argued by petitioners on the appeal [R. II 736 at p. 57]. We submit, such *sub silentio* overruling of precedent should not go unchecked if there is to be any harmony of decision in the Ninth Circuit.

We believe that the Court of Appeals has departed, radically, from its function as a court of law in evading the stricture of F.R.C.P. 52(a) (App. *infra,* p. 43) by this process of patently reading findings out of context (1) to oversimplify the patent in suit to a combination never claimed or granted, (2) to hold a finding permeated with the tuck away result to be clearly erroneous by ignoring that result, whereby to find the function of certain elements to be old on the basis of a prior patent alleged to have the same function but, undeniably, as a useless feature, (3) to construe the "for the first time element" of Finding 8 as being only the result of Finding 21 where, in fact, its proper context is all findings on prior art, (4) to ignore the presence in the findings of another "new function" which it nowhere challenges.

This reading of findings cannot be reconciled with this same court's rule that findings ought to be read as a whole and when supported by substantial evidence, as here, "the only proper course" is to view that evidence consistently with the findings of the trial court. *Elrick Rim Company v. Reading Tire Machinery Co.,* 264 F. 2d 481, 486. In its use of *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp., supra,* is not the Court of Appeals for the Ninth Circuit converting obviousness from a question of fact to a question of law, in the case of combination patents,

as a device to bypass F.R.C.P. 52(a) despite this Court's indication in *Graham v. Deere,* 383 U.S. at p. 5, that obviousness is "manifestly" a question of fact. This Court has ruled that findings sustaining patent validity are entitled to the same deference as findings which overturn patent claims, *Graver Tank & Manufacturing Co. v. Linde Air Products Co.,* 336 U.S. 271, and the Ninth Circuit plainly stands in need of correction in this regard.

One final observation with regard to the Lugash '196 patent, which will illustrate the error in the rationale of the Ninth Circuit in its approach to combination patents. Of the '196 patent, the Ninth Circuit said:

> "We have found that the elements of Lugash '227 are within the public domain. As discussed above, the addition of another element of prior art cannot make the device patentable unless it then performs a new or surprising function. No such function has been shown for Lugash '196". (App. *infra,* pp. 37, 38).

In this case, both the Lugash '227 and '196 patents were shown to embrace elements having an interdependent functional relationship. The above quote from the Court of Appeals' opinion epitomizes that, under these circumstances, the rationale of the Ninth Circuit is one which this Court characterized as the basic error of question begging in its decision in *United States v. Adams,* 383 U.S. at 48 and 50. That the combinations claimed in both the Lugash '227 and '196 patents are novel is beyond dispute in this record and not an issue. Manifestly then, consistently with *United States v. Adams,* the only proper course for the Ninth Cir-

cuit was to review the question of whether or not the claimed combinations were nonobvious, instead of which the Ninth Circuit relied exclusively on a criteria not to be found in the Patent Act of 1952, an action in direct conflict with *Graham v. Deere.*

Conclusion.

It is respectfully submitted that this Petition for a Writ of Certiorari should be granted.

Respectfully submitted,

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APPENDIX.

Opinion of the United States District Court.

Max J. Lugash and Maxon Industries, Inc., Plaintiffs v. Santa Anita Manufacturing Corporation, Defendant. No. 62-757-EC.

United States District Court, S. D. California, Central Division.

April 2, 1965.

Crary, District Judge.

This case involves the validity, infringement and misuse of patents covering "load elevator for motor trucks" and hydraulic hoist for vehicles. The Letters Patent in question are Lugash Patent No. 2,837,337, filed April 15, 1957, and issued June 3, 1958, and Lugash Patent No. 2,989,196, filed September 27, 1957, and issued June 20, 1961.

The construction of the device in Patent 2,837,227 includes a device that is attached to the chassis of a truck and by a parallel linkage system moves loads on an approximately horizontal platform between ground level and the level of the truck bed. The mechanism also moves the platform into an out-of-the-way position under the truck bed after the platform has been folded into an inverted position overlying the linkage system. The manual folding of the platform to the inverted position takes place when the platform is in the extended position at the ground level.

Patent 2,989,196 involves a unitary construction in which all associated working parts, including all lifting and power components, are mounted on a main frame member and attached to the vehicle as a unit.

The inventive feature of Pat. 2,837,227, plaintiffs assert, is the folding of the platform to an inverted position over the linkage system and its movement to and from an out-of-the-way position under the truck bed by the power mechanism.

The inventive features of Pat. 2,989,196, plaintiffs assert, are the unitary construction which embodies all associated working parts of the device being mounted on a main frame and attachable to the vehicle as a unit and the feature which allows clearance by the platform of the hydraulic cylinder piston in the folded position.

The first question the court will determine is the validity of the Patent 2,837,227. Does the patent involve a combination of elements and functions old in the art as asserted by defendant and, if so, do such old elements, although in new combination, have a mode of operation and resulting accomplishment which is new, novel and inventive in the art? The question of whether the inventive feature or features claimed were obvious to persons having ordinary skill in the art at the time the invention was made is also involved as well as whether the patent was anticipated by the prior art.

Patent 2,837,227 involves a new combination of old elements, the raising and lowering of a platform loader by parallel, or approximately so, linkage system, hinged to said platform and the truck or main frame of the loader and the inverting of the platform over the arms lifting and lowering same.

It appears to the court that the prior art referred to by defendant and not cited in Patent 2,837,-227 does not anticipate said patent. Defendant relies strongly on Novotney 2,194,403, filed June 19, 1939, but the court concludes that patent does not have all

the elements or equivalents of 2,837,227 as required nor does it or any other prior art patent do substantially the same work in substantially the same manner. As stated by the court in Ottumwa Box Car Loader Co. v. Christy Box Car Loader Co., 215 F. 362, at 369 (8th Cir. 1914), there is no anticipation where one or more elements of a patented combination, or one or more parts of a patented improvement, may be found in one old patent or publication, and others in another, and still others in a third.

> "It is indispensable that all of them, or their mechanical equivalents, be found in the same description or machine, where they do substantially the same work by the same means."

It is mechanically *possible* to invert the platform in the Novotney over the parallel linkage system in that device but not with substantially the same result and such inverting of the platform is not disclosed in the specifications or the drawings. Defendant urges that the inverting of the platform in Novotney is "inherent" in said patent. Although the inverting of the platform is possible, the court does not conclude that it is "inherent" in Novotney, that is, inalienable or involved in the constitutional or essential character of that device nor within the meaning of the decision in the case of Huston v. Buckeye Bait Corporation, 145 F.Supp. 600, at 602-604 (D.C.S.D. Ohio). In the Huston case the court states at page 603 of its opinion:

> "As this Court studies the briefs, the exhibits and the testimony relating to this patent, it is inescapable that *the essence of the invention in Claim 9 is the turning,* the new mode of operation when the weight is taken off of the clamp end of the sphere. (Emphasis ours.)

It does not appear in the instant case that the inverting of the platform in the Novotney patent can be said to in any degree be the essence of the invention contained therein.

Although the court concludes the prior art does not anticipate Pat. 2,837,227, should the court find that the inverting of the platform and stowing under the truck bed as accomplished by plaintiff is a feature, though new and novel, which was obvious to one skilled in the art within the provisions of Title 35, U.S.C. § 103, by reason of the various patents referred to by defendant and particularly those not cited in the patent in suit which disclose parallel linkage, platforms inverted over the lift arms and stowed under truck beds, and Novotney, which though not calling for inverted platform is constructed so that such inversion would be possible?

Mr. Vogel, now president of defendant company, has particpated in the making of tail gate loaders since 1947 using parallel or nearly parallel linkage systems hinged to the platform and the main frame of the loader. Mr. Vogel testified, in substance, that in early 1960 when he designed defendant's Fold-a-Lift, which appears in defendant's Model EB 1500 FL, he was aware of drop leaf tail gates, he knew of plaintiffs' Tuk-A-Way model and in late 1959 and early 1960 he knew of Watson's Hide-a-Gate model. He stated he did not see a Tuk-A-Way model or a brochure of defendant's Tuk-A-Way before designing the Fold-a-Lift but that he did see plaintiffs' device before making and selling Fold-a-Lift in September, 1960.

The Tuk-A-Way made under Patents 2,837,227 and 2,989,196 was first manufactured and sold in 1957. The evidence is clear that the Tuk-A-Way has had impres-

sive commercial success. Its sales grew from 21 units in 1957 to 85 in 1959, 82 in 1960, 150 in 1961, 381 in 1962, 741 in 1963 and 1238 in 1964. Defendant also has substantial commercial success with its Fold-a-Lift model which it started to sell in September, 1960. These facts indicate that there was a great demand and need for a power loader, the platform of which folded and moved to a position so as to be carried under the bed of the truck. This fact is also established by witnesses of the plaintiffs engaged in the trucking business. The Court of Appeals, 9th Circuit, in Hayes Spray Gun Co. v. E. C. Brown Co., 291 F. 2d 319 (1961), states at page 322:

> "Appellants also point to the commercial success of the device, a fact which, though not conclusive, tends to prove the originality and utility of the product."

The inverting of the platform in defendant's Model EB 1500, which resulted in EB 1500 FL, was a simple matter and did not require retooling on the part of the defendant for the said Fold-a-Lift model. Certain changes were made in the older model but not major in character. When changes are viewed in retrospect they often appear to be obvious and when simple in nature one wonders why they were not thought of long ago. Simplicity, of course, does not preclude patentability.

What was the situation in April, 1957, when Patent 2,837,227 was filed? For many years tail gate and other type of ground to truck bed loaders had been manufactured and for some six to twenty-two years prior to Patent 2,837,227, non-cited patented devices, Narvestad 2,680,529, Peters 113,577 and Jester 2,033,-

243, disclosed the folding of a platform by hinged means to an inverted position over the lifting arms, which in said patents were not parallel linkage arms, but none of those devices met with commercial success and the mode of operation, insofar as the inverting of the platform and moving it to a place under the truck bed, was not substantially the same. It was not until Lugash designed the device in Patent 2,837,227 in 1957 that the old elements in new combination inverted the platform over the parallel linkage arms and moved it to and from the stored position under the truck bed in a more facile and efficient manner that resulted in acceptability and commercial success in the industry. It is now obvious that it was simple for defendant to make its change in 1960 but as of the filing of plaintiffs' Pat. 2,837,227 it has not been done, and the court concludes that was because it was not obvious to one skilled in the trade. As stated in International Manufacturing Co. v. Landon, Inc., 9 Cir., 336 F.2d 723, at 726:

> "The invalidity of a combination patent is not established by showing only that there was, in the prior art, a device containing the same elements. A combination patent envisions a conjunction or concert of known elements which produce some unusual or surprising consequences. Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp., 340 U.S. 147, 152, 71 S.Ct. 127, 95 L.Ed. 162. It follows that such a combination is not anticipated or rendered obvious by a prior conjunction or concert of the same elements unless the latter *produces substantially the same results.*" [Emphasis ours.]

Paraphrasing the court in International Manufacturing Co., supra, page 726, the fact that the old elements had been combined in some examples of prior art does not render the invention of Lugash 2,837,227 obvious, since 2,837,227 produced novel and inventive features over the prior art.

The question of validity of Pat. 2,837,227 is not easily decided in the case at bar but the apparent need for plaintiffs' device, its commercial success, the many years in the life of the elevator truck loader business without a device operating in the new and novel manner and efficiency of plaintiffs' device, the improvement of plaintiffs' device over former devices in the art and the presumption of validity of a patent which must be applied leads the court to conclude that Patent 2,837,227 is valid. The presumption of validity is based on the expertness of the Patent Office, and the appellate courts have held it can be overcome only by clear and convincing proof, that any reasonable doubt must be resolved in favor of validity and this is true though the presumption of validity becomes stronger when the Patent Office has considered the most pertinent references. In drawing its conclusions, the court has in mind the fact that the prior art patents upon which defendant in relying were not cited in Patent 2,837,227. Patterson-Ballagh Corp. v. Moss, 201 F.2d 403, 406 (9th Cir. 1953); Neff Instrument Corp. v. Cohu Electronics, 298 F.2d 82, 86 (9th Cir. 1961); Trico Products Corp. v. Delman Company, D.C. 199 F.Supp. 231, at pages 240-241.

The court has considered the commercial success of plaintiffs' device, as noted above, having in mind the comments of the court in Chemical Construction Corp. v. Jones & Laughlin Steel Corp., 3 Cir., 311 F.2d

367, at 374, to the effect that commercial success should be resorted to only where the issue of patentability is in doubt.

With respect to infringement, the court finds from the evidence that defendant's device includes each of the elements contained in the Claims in issue, or its equivalent, that the location and spacing of the hinged parallel linkage arms with respect to the platform is substantial compliance with Claims 1 and 8 and that the stop means in the defendant's device in the fold-over position of the platform, to wit, the hydraulic cylinder housing, is the mechanical equivalent of bar 56 (Fig. 2, Pat. 2,837,227) in plaintiffs' device, which is a part of the linkage system, and that the defendant's device performs the same function in substantially the same way as plaintiffs' Pat. 2,837,227. In Hydraulic Press Mfg. Co. v. Williams, White & Co., 165 F.2d 489 (7th Cir. 1947), the court, at page 492, states:

> "One does not escape infringement by providing a single element which fully responds to a plurality of elements in the patent." [Citing cases.]

See also Lilliston Implement Co. v. E. L. Caldwell & Sons, Inc., 212 F.Supp. 413 (D.C.S.D.Texas, 1962) at page 419.

Turning to validity of Pat. 2,989,196, filed September 27, 1957, defendant urges that the unitary construction of tail gate loaders is old in the art, relying on Messick 2,696,923, filed Feb. 1, 1950, and Wood '540, filed Jan. 17, 1952, as well as other prior art in evidence, including prior models of defendant's loaders manufactured and sold prior to the filing of Pat. 2,989,196. Neither said Messick or Wood patents were cited as prior art in Pat. 2,989,196.

Plaintiffs assert that the unitary construction of the device in prior art patents and in defendant's prior models is not pertinent because they do not involve the construction of the inventive features of plaintiffs' device, to wit, the fold-over platform moved to and from the out-of-the-way position under the truck bed. It appears to the court that this distinction is one without substantial difference insofar as concerns the problem of unitary construction. Pat. 2,989,196 is a combination of old elements insofar as concerns the unitary construction and such old elements perform no novel or unusual function not performed by said elements out of combination. Lincoln Engineering Co. of Illinois v. Stewart-Warner Corp., 303 U.S. 545, at 548, 58 S.Ct. 662, 82 L.Ed. 1008 (1937), and Robinson v. Tubular Woven Fabric Co., 248 F. 526 C.A. 2, 1917), cited in Lincoln Engineering Co., supra, at page 550, 58 S.Ct. at page 665, which states at page 542 of 248 F.:

> "If the thing is old, and is applied to perform its old functions, it remains in the prior art, and cannot be made novel, in the sense of the patent law, merely because used in new surroundings that do not affect its character or mode of operation."

The folding concept in Lugash was claimed in Patent 2,837,227 and therefore not of patentable significance in Patent 2,989,196, the second Lugash patent, which was filed (September 27, 1957) several months before 2,837,227 was issued (June 3, 1958).

The Court of Appeals, 9th Circuit, in Intricate Metal Products, Inc. v. Schneider, 324 F.2d 555 (1963), comments on the significance of the fact that one of two

patents is pending when the second is filed, at page 560, as follows:

> "The first patent does constitute a prior art reference as to what it claimed. The significance of the fact that No. 690 was pending when No. 490 was filed is simply that the inventive advance of 490 must be over what was *claimed* in the 690 application and need not be over the totality of its disclosure as would otherwise be the case."

At page 561 the court observes:

> "In the case before us, No. 490 does not claim unpatented disclosures of No. 690. Rather, it incorporates the claims of the earlier patent in combination with other disclosures of prior art."

In the case at bar, the court concludes that 2,989,196 incorporates the Claims of 2,837,227 in combination with other disclosures of prior art.

The court further finds that the non-cited prior art re Pat. 2,989,196, as noted above, and defendant's prior models manufactured and sold before plaintiffs' filing of Pat. 2,989,196, made the unitary construction of Pat. 2,989,196 obvious to one skilled in the art at the time of plaintiffs' invention. The folding platform was claimed in Pat. 2,837,227. It appears that 2,989,-196, including the problem of the platform clearing the hydraulic cylinder piston, is a variant of 2,837,227 which would be obvious to one skilled in the art.

For the reasons noted above, Pat. 2,989,196, the court concludes, is invalid. This finding makes unnecessary and improper a finding on the issue of infringement, as an invalid patent cannot be infringed.

The court granted defendant's motion to amend its pleadings to allege violation by plaintiff of Title 35, U.S.C. § 292. It appears from the evidence that plaintiff Lugash, after the issuing of Pat. 2,989,196, on instructions of his attorney, added that patent number by decal to the plates carrying No. 2,837,227, which were attached to plaintiffs' Tuk-A-Way models, after issuance of 2,989,196.

It appears from plaintiff's testimony that some models (H-23) do not employ the unitary construction required by the Claims of Pat. 2,989,196 yet carried the numbers of both patents. The statute involved is criminal in nature and provides that the mislabeling must be "* * for the purpose of deceiving the public." The cases are uniform in holding that a fraudulent purpose or intent to deceive the public is an essential element of the offense. Julian B. Slevin Co. v. Bartgis Bros. Co., 142 F.Supp. 688, at 690 (D.C.Md.1956); G. Leblanc Corp. v. H. & A. Selmer, Inc., 310 F.2d 449, at 459 (7th Cir. 1962); Zippo Manufacturing Co. v. Rogers Import, Inc., 216 F.Supp. 670, at 700 (D.C.N.Y.1963).

After consideration of the testimony of plaintiff Lugash relative to the issue and the circumstances surrounding the placing of both patent numbers on certain models of plaintiffs' device, the court concludes that the mismarking was a mistake and that plaintiff, in doing so, did not have the intent to defraud or to deceive the public. Zuckerman v. Pilot, 71 F.Supp. 478, at 479 (D.C.S.D.N.Y. 1940). The error of plaintiffs in the misuse of Patent No. 2,989,196 on certain models should, of course, be promptly corrected in order that violation of Title 35, U.S.C. § 292 be avoided.

In Krieger v. Colby, D.C., 106 F.Supp. 124, defendant infringed plaintiff's design patent for a cap which resembled a rabbit's head and face and on which defendant had placed a label, "Patented and Copyrighted." The court found that the defendant knowingly and with deliberate intent appropriated the design patent of plaintiff and with guilty intent indicated to the public that his product was a patented article. The Krieger case involves a situation far different from that in the case at bar where the plaintiff, on advice of counsel, places a second patent number, after issue of said patent, on a device, certain models of which had the second patent number properly displayed. The power take-off model which should not have carried the second patent number was less than 1% of plaintiffs' business. It is also reasonable to infer from the evidence that sales of the model in which the loader was attached to the side of the vehicle and the power unit was not mounted on the main frame of the loader, were minimal as compared to the total sales of models of plaintiffs' Tuk-A-Way model on which both patent numbers were properly displayed.

The old case of Oliphant v. Salem Flouring Mills, 18 Fed.Cas. p. 647, No. 10,486 (D.C.Ore. 1878), relied on by defendant herein and cited in the Krieger case, supra, provides that the act of placing the word "Patent" on a non-patented item

> "* * * is a species of counterfeiting. This being so, the presumption is, until the contrary appears, that the mark was placed on the article with the intention to deceive."

However, the statute involved is penal in nature and must be strictly construed and, in the circumstances

noted above, it appears to the court that the requisite intent to defraud does not appear in the instant case.

By way of recapitulation as to the issues of validity and infringement, the court concludes that Patent 2,837,227 is valid and that Claims 1 and 8 and other Claims in issue dependent on said Claims 1 and 8 are infringed by defendant's device and that Patent 2,989,196, for the reasons above noted, is invalid and therefore not subject to infringement.

The court finds that defendant did not willfully, wantonly or deliberately infringe plaintiffs' Patent 2,837,227 and that neither party is entitled to attorneys fees.

Plaintiffs are entitled to injunction against further infringement of Patent 2,837,227 by defendant, as prayed, and compensatory damages for said infringement.

Defendant is entitled to injunction against plaintiffs' further charging that defendant has or is continuing to infringe plaintiffs' Patent 2,989,196.

In the circumstances, the court concludes the parties shall pay their own costs.

Counsel for plaintiffs is requested to prepare, serve and lodge proposed Findings of Fact, Conclusions of Law and Judgment in accordance with the provisions of Rule 7, as amended, Local Rules.

This Memorandum Opinion is not to be deemed a final Judgment.

Findings of Fact and Conclusions of Law.

In the United States District Court Southern District of California Central Division.

Max J. Lugash and Maxon Industries, Inc., Plaintiffs, vs. Santa Anita Manufacturing Corporation, Defendant. Civil Action No. 62-757-EC

Filed June 9, 1965

This action having been tried upon the facts by the Court without a jury, the Court does hereby find the facts and state its conclusions of law thereon, as follows:

FINDINGS OF FACT

1. Plaintiff Max J. Lugash, an individual, is a citizen of the United States, residing in California. Plaintiff Maxon Industries, Inc. is a California corporation having a principal place of business in Los Angeles County, California.

2. United States Letters Patent in suit, No. 2,837,227, was issued on June 3, 1958 to Max J. Lugash. United States Letters Patent in suit, No. 2,989,196, was issued on June 20, 1961 to Max J. Lugash.

3. By an assignment dated February 10, 1964 plaintiff Max J. Lugash has assigned to plaintiff Maxon Industries, Inc. the entire right, title and interest in and to said Patents No. 2,837,227 and 2,989,196. Since that assignment, plaintiff Maxon Industries, Inc. has been and now is the sole owner of all claims and rights of action for profits and damages by reason of past infringements of said patents with the sole right to sue for and collect the same. By order of the Court, plaintiff Maxon Industries, Inc. was joined as a party plaintiff herein, after filing of the complaint,

without prejudice to any proceedings already had in the action.

4. Defendant Santa Anita Mfg. Corp. is a California corporation with a regular and established place of business in the Southern District of California. Since the issuance of the patents in suit and prior to the complaint herein, defendant Santa Anita Mfg. Corp. has manufactured and sold load elevators for trucks, known as the Folda-Lift hydraulic loaders, in this judicial district.

5. This is an action by plaintiffs for patent infringement in which defendant has counterclaimed for declaratory judgment of non-infringement and invalidity of the patents in suit. At the trial, defendant was permitted to amend its counterclaim to add a count alleging a violation of 35 U.S.C. 292 for alleged false marking by plaintiffs in their use of Lugash Patent No. 2,989,196.

Claims 1, 2, 4, 8, 9 and 11 of Lugash '227 and Claims 1, 2, 4, 5 and 6 of Lugash '196 are in issue. The accused devices constitute all models of defendant's Folda-Lift loader.

6. The invention of Lugash '227 is in a load elevator for motor trucks that moves loads on an approximately horizontal platform between ground level and the level of the truck bed, and, alternately, moves the platform into and out-of-the-way position under the truck bed after the platform has been manually folded into an inverted position overlying the linkage system.

The manual folding of the platform to the inverted position takes place when the platform is in the extended position at the ground level.

7. The inventions covered by the claims of Patent '227 are new combinations of old elements, best summarized, after Claim 8, as consisting of a pair of parallel rule linkage systems, a platform, connections between the linkage systems and platform comprising hinge means permitting inversion of the platform and stop means to support the platform in load carrying position, and power means to lift the platform or to allow it to descend.

8. Lugash Patent '227 creates a new organization of individually old elements giving new modes of operation to the elements of the combination, never before seen in the truckloading art. For the first time, the power means moves a load platform into and out of a stored position. For the first time, the lifting arms of a truck loader function to move an inverted platform into and out of a stored position. For the first time, both the power means and the lifting arms of a truck loader are given a dual function, i.e., they are active elements in accomplishing movement of the inverted platform into and out of a stowed position as well as being active in carrying out loading operations.

Truck loaders embodying the inventions of Lugash '227 were the first loaders that could be stored in an out-of-the-way position ever to come into successful use in the trucking industry.

9. Plaintiff Max J. Lugash commenced the manufacture and sale of devices incorporating the inventions of Lugash Patent '227 in 1957. These truck loaders were then and ever since have been identified to the trade and known in the trade as Tuk-A-Way loaders. The Tuk-A-Way loaders are constructed and operate in accordance with the teachings of Lugash '227 and come

within the scope thereof. The evidence is clear that the Tuk-A-Way loader has had impressive commercial success, rising to over $500,000 in sales for the year 1964.

10. Lift gate loaders are a type of loading device for motor trucks in which the loading platform serves the dual function of carrying the loads between ground level and the level of the truck bed and also acts as a tail gate closing the rear end of the truck bed. Lift gate loaders are old and well known, are made by many long established companies, and have been in widespread commercial use since about 1945.

11. Defendant and its predecessors have been continuously engaged in the nanufacture or sale of lift gate loaders for motor trucks since at least 1947 including loaders using parallel or nearly parallel linkage systems hinged to the platform and the main frame of the loader.

12. Before defendant's infringement commenced, defendant's president knew of plaintiffs' Tuk-A-Way model and of Lugash Patent '227.

13. Defendant first sold its infringing loaders in September of 1960. Defendant's infringing loaders are known in the trade as Folda-Lift loaders.

13A. The inverting of the platform in defendant's model EB 1500, which resulted in EB 1500 FL, was a simple matter and did not require retooling on the part of the defendant for the said Folda-Lift model. Certain changes were made in the older model but not major in character. Simplicity does not preclude patentability and the court finds the changes appeared obvious only in retrospect.

14. By the end of 1963 defendant had sold about 820 infringing Folda-Lift loaders. In 1963, defend-

ant's infringement accounted for over 34% of its unit sales of Folda-Lift loaders and conventional lift gate loaders.

15. Lugash Patent '227 is not anticipated by any of the prior art relied on by defendant and not cited in Patent '227. None of the prior art has all of the elements or equivalents of the combinations claimed in '227 to do substantially the same work in substantially the same manner.

16. Defendant relies on Novotney Patent No. 2,-194,403 as an anticipation of Lugash '227. Novotney '403 discloses only a lift gate loader. The specification of Novotney '403 does not describe any inversion of a platform over a parallelogram linkage system. The drawings of Novotney '403 do not show a load platform inverted over a parallelogram linkage system. Nothing in Novotney '403 suggests that he intended or appreciated any inversion of a load platform over a parallelogram linkage system although it is mechanically *possible* to invert the platform in the said Novotney device but not with substantially the same result as in plaintiffs' patent '227.

17. Inverting of the platform over the parallel linkage system is not inherent in Novotney '403.

18. The invention of Lugash '227 was not obvious to one skilled in the art at the time the invention was made by reason of the patents relied on by defendant including those not cited against Lugash '227. The prior art patents relied on by defendant, taken alone or in combination, do not provide any teaching or disclosure that can be considered to render the combinations claimed in the Lugash '227 patent obvious or apparent to those skilled in the art. The defendant did not

copy the prior art but, instead, utilized the combinations described and claimed in Lugash '227.

19. Narvestad Patent No. 2,680,529, Peters Australian Patent No. 113,577, and Jester Patent No. 2,033,-243 disclosed the folding of a platform by hinged means to an inverted position over the lifting arms, which in said patents were not parallel linkage arms, but none of those devices met with commercial success and the mode of operation, insofar as the inverting of the platform and moving it to a place under the truck bed, was not substantially the same.

20. Narvestad '529, Peters '577 and Jester '243 do not suggest or disclose any means whereby the lifting arms can act to carry or to move an inverted platform into and out of a stowed-away position. In all of these devices, manual disassembly of parts or manual manipulation of parts is necessary, after the platform has been manually inverted, to effect movement of the inverted platform into and out of a stowed position.

21. Narvestad '529, Peters '577 and Jester '243 do not disclose or suggest any means for utilizing the power means for effecting movement of an inverted platform into and out of a stowed-away position.

22. The lifting arms of Narvestad '529, Peters '577 and Jester '243 act as simple levers and are not the equivalent of parallelogram linkage systems in their relationship to a load supporting platform. Peters, Narvestad and Jester are deliberately adapted to tip a load; Lugash '227 is specifically adapted to keep a load substantially level and prevent tipping over. In Lugash '227, the parallelogram linkage lifting arms and platform have two distinct modes of cooperation, one for

load bearing purposes and one for storing purposes. This concept, and any disclosure of a combination of elements for carrying the concepts into effect, is completely lacking in all of the prior art relied on by defendant, including Narvestad, Peters and Jester.

23. Shadbolt and both Ducondu patents show relatively primitive devices requiring manual assembly and reassembly to put them into and out of use. None of these patents shows the Lugash '227 combination of a parallelogram linkage and platform invertible over the linkage. None of these prior art devices shows power means effective to move a parallelogram linkage and inverted platform to stowed position. None of these prior art devices shows a parallelogram linkage system having two distinct modes of cooperation with a load carrying platform, i.e., a parallelogram linkage that functions in one mode to give a substantially level ride to the platform and that functions in another mode to change the angle of the platform along with the changing angle of the parallelogram linkage.

24. When Lugash filed his application for Patent '227 in 1957, Novotney '403 had been available to the art for 17 years, Peters for 16 years, Narvestad for 3 years, and Jester for 21 years. None of the Jester, Narvestad and Peters devices met with commercial success. Prior to the Lugash invention, the only loading devices for trucks of any commercial significance were lift gates including Anthony Drop-Leaf gate loader, e.g., Novotney '403, in which the load platform served as the tail gate of the truck, as well as the loading platform. It was not until Lugash designed the device in Patent '227 that the old elements in new combination inverted the platform over the parallel linkage arms

and moved it to and from the stored position under the truck bed in a more facile and efficient manner that resulted in acceptability and commercial success in the industry.

25. Defendant knew of plaintiffs' Tuk-A-Way loader before design of the Folda-Lift started and knew of Lugash Patent '227 before starting the manufacture of Folda-Lift. It is now obvious that it was simple for defendant to make its change in 1960 but the evidence shows that as of the filing of plaintiffs' application for Patent '227, it was not obvious to one skilled in the trade.

26. Prior to the invention of Lugash '227, there was a great demand and need for a power loader, the platform of which folded and moved to a position so as to be carried under the bed of the truck, which demand and need was met by the invention of Lugash '227.

27. Defendant's president, a person of long experience in and primarily interested in development of the art, failed to come upon the combination of elements of Lugash '227 until the design and manufacture of the infringing device.

28. The introduction of the Lugash '227 invention to freight businesses has resulted in significant economies of time and money to users of the Lugash invention. The fact that in decades of prior patent and commercial development of lift gate loaders the novel combination of the Lugash '227 invention was overlooked, and the fact that when Lugash made known his discovery, it was widely adopted in the trade, demonstrate that what Lugash did was not obvious and did involve discovery and invention.

29. With respect to infringement of Claims 8, 9 and 11 of Lugash '227, defendant's Folda-Lift device includes each of the elements contained in those claims or its equivalent. In the pair of parallel rule linkage systems of the Folda-Lift device, the presence of bends in the upper arms of the linkages does not affect their function as parallelogram linkages. A pair of parallel rule linkage systems, with straight arms, disposed precisely at each side of the platform, is the full equivalent of a pair of parallel rule linkage systems, with bent upper arms, disposed inwardly of each side of the platform. The sideward extension of the Folda-Lift platform beyond the pair of parallel rule linkage systems can be viewed and is viewed as a mere addition without, however, in any way altering the function and result of the parts of the mechanism, which is in substantial compliance with the requirements of the claims and in particular, is effective to permit the Folda-Lift platform to be swung into superposed position on the linkage systems.

30. With respect to infringement of Claims 1, 2 and 4 of Lugash '227, the foregoing Finding of Fact 29 is fully applicable. Further, the bar affixed to the underside of the Folda-Lift platform and its contact with the short links of the parallelogram linkage is the full equivalent of the ledge element 53 illustrated in the Lugash patent and its contact with the underside of the platform. Additionally, the arrangement of the hydraulic cylinder in the Folda-Lift to support the platform in superposed position with respect to the linkages is the equivalent of the arrangement and location of the cross-bar 56 in Lugash. All claims in suit of Lugash '227 have been and are being infringed by all

models of defendant's Folda-Lift loader, but not wilfully, wantonly or deliberately.

31. The second patent in suit, Lugash '196, is directed to the load elevator of the first Lugash patent with a unitary construction which embodies all associated working parts of the device being mounted on a main frame and attachable to the vehicle as a unit and which allows clearance by the platform of the hydraulic cylinder in the folded position.

32. The unitary construction of tail gate loaders is old in the art as demonstrated by Messick Patent No. 2,696,923, filed February 1, 1950, Wood Patent No. 2,683,540, filed January 17, 1952, as well as other prior art in evidence, including prior models of defendant's loaders manufactured and sold by defendant prior to the filing of plaintiffs' Patent '196. None of Messick, Wood or defendant's prior models of loaders were considered or cited by the Patent Office as prior art in patent '196.

33. There is no substantial difference insofar as concerns the problem of unitary construcion in the plaintiffs' device including a fold-over platform moved to and from the out-of-the-way position under the truck bed and the problem of unitary construction of the devices in the prior art patents and in defendant's prior models. Patent '196 is a combination of old elements insofar as concerns the unitary construction and such old elements perform no novel or unusual function in the combination not performed by said elements out of the combination.

34. The folding concept in Lugash was claimed in patent '227 and therefore not of patentable significance in patent '196, the second Lugash patent, which was

filed September 27, 1957, several months before '227 was issued on June 3, 1958. The claims of patent '196 incorporate the claims of Lugash '227 in combination with other disclosures of prior art, as exemplified by defendant's Exhibits AN-1, AN-4, AN-5, AN-7 and AN-8.

35. The non-cited prior art Messick Patent '923, Wood Patent '540 and defendant's prior models manufactured and sold before plaintiffs' filing of Lugash Patent '196, made the unitary construction of patent '196 obvious to one skilled in the art at the time of plaintiffs' invention.

35a. The folding platform was claimed in Lugash Patent '227. It appears that Lugash Patent '196, including the problem of the platform clearing the hydraulic cylinder piston, is a variant of the claimed subject matter of Lugash '227 which would be obvious to one skilled in the art.

36. Plaintiffs have placed the required statutory marking on Tuk-A-Way loaders manufactured and sold by them under Lugash Patent '227 and Lugash Patent '196 since the respective dates of issuance thereof. Plaintiff Lugash, after the issuance of Patent '196, on instructions of his attorney, added that patent number by decal to the plates carrying '227, which were attached to plaintiffs' Tuk-A-Way models after issuance of '196.

37. After the issuance of Lugash '196, certain power take-off models of plaintiffs' Tuk-A-Way loader which are not unitary and which should not have carried the second patent number but which constituted less than one per cent of plaintiffs' business, did bear the second patent number. Certain H-23 models of

plaintiffs' Tuk-A-Way loader did not employ the unitary construction required by the claims of Patent '196, yet carried the numbers of both patents.

38. Such mismarking of certain models of plaintiffs' Tuk-A-Way loader by affixing thereto the number of the second Lugash patent, '196, was as a result of innocent mistake and without any intent to defraud or to deceive the public.

CONCLUSIONS OF LAW

A. United States Letters Patent in suit, No. 2,387,227, was duly and legally issued to plaintiff Max J. Lugash. Plaintiff Maxon Industries, Inc. is the owner of the entire right, title and interest in and to said Letters Patent, together with any and all rights of action, claims or demands arising out of or accruing from past infringement thereof.

B. United States Letters Patent No. 2,387,227 complies fully with all of the provisions of Title 35, United States Code, and discloses and claims a patentable invention.

C. United States Letters Patent No. 2,387,227 is good and valid in law as to Claims 1, 2, 4, 8, 9 and 11 in suit.

D. United States Letters Patent No. 2,387,227 constitutes a marked advance in the art, and is entitled to a liberal construction of its terms.

E. Defendant has infringed Claims 1, 2, 4, 8, 9 and 11 of United States Letters Patent No. 2,387,227 by its manufacture and sale of its Folda-Lift loader.

F. Plaintiffs are entitled to a judgment for an injunction and accounting as prayed for in the complaint filed herein for infringement of United States Letters Patent No. 2,387,227.

G. United States Letters Patent in suit, No. 2,989,196, and each of the claims therein, is invalid for failure to satisfy the provisions of Title 35, United States Code, §103, because it is merely a combination of old elements in which such old elements perform no new novel or unusual function in the combination that they performed out of the combination and because it attempts to claim the claimed subject matter of the prior Lugash Patent '227 in combination with other disclosures of the prior art.

H. Defendant is entitled to injunction against plaintiffs' further charging that defendant or its customers has or is continuing to infringe plaintiffs' Patent No. 2,989,196.

I. Plaintiffs have not marked any product with a patent notice for the purpose of deceiving the public and are not guilty of false marking under the law.

Dated this .... day of June, 1965.

United States District Court Judge

Copy received and Approved as to form on June 4, 1965. Miketta, Glenny, Poms & Smith. By /s/ Guy Porter Smith Attorney for Defendant.

Judgment.

In the United States District Court Southern District of California, Central Division.

Max J. Lugash and Maxon Industries, Inc., Plaintiffs, vs. Santa Anita Manufacturing Corporation, Defendant. Civil Action No. 62-757-EC.

This cause having come on for trial before this Court, witnesses for both sides having been heard, documentary and physical exhibits having been received in evidence, and briefs having been filed, and in accordance with the Findings of Fact and Conclusions of Law:

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. This Court has jurisdiction of the subject matter and of the parties.

2. Plaintiff Maxon Industries, Inc. is the owner of all of the right, title and interest in, to and under United States Patent No. 2,387,227 and Patent No. 2,989,196.

3. United States Letters Patent No. 2,387,227 and Claims 1, 2, 4, 8, 9 and 11 thereof are good and valid in law and said claims have been infringed by defendant.

4. That plaintiffs have judgment on their complaint for infringement of Patent No. 2,837,227 as prayed for and that defendant shall take nothing by its counterclaim, as it relates to said patent.

5. A writ of injunction shall issue out of and under the seal of this Court, enjoining and restraining the defendant, its associates, attorneys, agents, servants, employees, and all those in privity with defendant from in any manner manufacturing, using or selling, or offerring for sale, any truck loading devices coming within the scope of Claims 1, 2, 4, 8, 9 and 11 of the United States Letters Patent No. 2,387,227.

6. Plaintiffs are entitled to an award of damages adequate to compensate for the infringement of United States Letters Patent No. 2,387,227 but such damages shall not be trebled. Neither party is entitled to attorney's fees.

7. The matter shall be referred to Russell R. Hermann, Esq., as a Special Master for an accounting to ascertain such damages and report the same to this Court, said appointment to be effective only after this interlocutory judgment has become final through determination on appeal or failure to appeal.

8. United States Letters Patent in suit, No. 2,989,196, is invalid under 35 U.S.C. 103, and that defendant have judgment of invalidity thereof on its counterclaim, as prayed for, and that plaintiffs take nothing by their complaint as it relates to Patent No. 2,989,196.

9. A writ of permanent injunction shall issue out of and under the seal of this Court, enjoining and restraining plaintiffs and their officers, agents, servants, employees, associates and attorneys, and all those persons in privity with plaintiffs or acting in active

concert or participation with them from further charging that defendant or its customers has or is continuing to infringe United States Letters Patent No. 2,989,196.

10. Plaintiffs are not guilty of false marking, as asserted by defendant in its counterclaim.

11. That plaintiffs and defendant shall each pay their own costs.

Dated this ....day of June, 1965.

United States District Court Judge

Copy received and Approved as to form on June 4, 1965 Miketta, Glenny, Poms & Smith By /s/ Guy Porter Smith Attorneys for Defendant.

Opinion of the Court of Appeals for the Ninth Circuit.

United States Court of Appeals for the Ninth Circuit.

Santa Anita Mfg. Corp., a California corporation, *Appellant,* vs. Max J. Lugash and Maxon Industries, Inc., a California corporation, *Appellees.*

Max J. Lugash and Maxon Industries, Inc., a California corporation, *Cross-Appellants,* vs. Santa Anita Mfg. Corp., a California corporation, *Cross-Appellee.* No 20,267.

[December 6, 1966]

Appeal from the United States District Court for the Southern District of California Central Division.

Before: Barnes and Koelsch, Circuit Judges, and Thompson, District Judge.

Barnes, Circuit Judge:

This case deals with two patents. The United States District Court for the Southern District of California, Central Division, had jurisdiction under 28 U.S.C. §§1338(a) and 2201. This court has jurisdiction under 28 U.S.C. §1291.

Appellee Max J. Lugash is an employee of appellee Maxon Industries, Inc. (hereinafter "Maxon"). Patents Nos. 2,837,227 and 2,989,196 were issued to him and assigned to Maxon.[1] Appellees brought suit against appellant Santa Anita Manufacturing Corporation (hereinafter "Santa Anita") charging infringement on these patents.

This case concerns what are broadly designated as load elevators for trucks. Since the bed of a truck is higher than the surface of the ground, some means

[1]The patents will be referred to as '227 and '196 respectively.

must be available to get the load from the ground up to the bed of the truck. For light objects, of course, the driver of the truck merely lifts them by hand. Many loads, however, are so heavy that manual effort is either unable to lift the load or able to do so only with extreme exertion. Industry has taken two forms of approach to the problem. First, there is the loading dock, where the floor level is at approximately the same height from the ground as the truck bed, so that when the truck backs up to the dock there is little or no difference between the surface of the dock and the truck bed. The second approach is to provide some kind of mechanical device to elevate the load from ground level to the level of the truck bed. An example of this might be a fork-lift truck raising or lowering pallets of merchandise to and from the truck. Within the genus of mechanical devices for elevating loads from the ground to the level of the truck bed are the devices which are attached to the truck. Such a device includes a platform, on which the load is placed to be elevated, which is about as long as the truck is wide, and which has a width of about two feet. The platform is attached to a framework under the bed of the truck and connected to a power source. Due to the linkage with the frame, the platform, adjacent to the rear of the bed of the truck, remains horizontal as it is raised or lowered, providing an efficient and convenient system for raising or lowering heavy objects. The discussion thus far has been merely for description and none of the above elements or functions are in issue here.

The question to which the patents here involved are addressed deals with what is to be done with the platform when not in use. What the parties have conceded

to be prior art utilized the platform as a tail gate. That is, the platform would be rotated to a vertical position, acting as a gate or barricade on the rear of the truck preventing merchandise from falling out. This tail gate form of load elevator, however, had the disadvantage of being in the way when a loading dock was being used. This is because when loading from a dock the loader would not be used, yet somehow it had to be lowered to permit loading. This problem was overcome by an idea which was included as an element of the patents in issue.

Lugash '227 teaches a mechanism which embodies all of the elements of the loaders mentioned above. However, it is designed so that the platform, after use, can be manually rotated from the horizontal position until it rests on the frame of the device under the bed of the truck. Thus it does not form a tail gate, nor does it interfere with dock loading. Maxon manufactures this device as "Tuk-a-Way" loaders. Santa Anita makes what is, to all intents and purposes, the same device, though branding it as their "Folda-Lift" loader. Maxon brought suit for infringement of '227 and '196, and Santa Anita counterclaimed for a declaratory judgment of invalidity of the patents involved.[2] Santa Anita amended its answer to include a claim for false marking. The trial court found '227 valid and infringed and that the mismarking was innocent, from which findings Santa Anita appeals. The court found '196 invalid for obviousness, and Maxon has cross-appealed.

At the outset we must consider the dimension of our function as a reviewing court. We are not a trial court,

[2]Lugash '196 is an improvement patent including the '227 device, but providing for unitary construction.

and will not weigh the evidence de novo to arrive at new findings. Our power is limited to performing the function assigned to us by Rule 52(a) of the Federal Rules of Civil Procedure. Only if the findings of the court below are clearly erroneous can we set them aside.

Though we have been favored by extensive briefs by counsel, the issue for us is a narrow one. Cognizant of the hazards of oversimplification, we try to formulate the problem presented. Lugash '227 is a combination of two known elements, a parallel linkage system (taught by the previous Novotney Patent No. 2,194,403 issued in 1940) and an invertible platform (taught, *e.g.*, by the previous Narvestad Patent No. 2,680,529 of 1954). Basically the issue is: Under what circumstances is a combination of known elements patentable as an invention?

The monopoly of a patent is granted only when the statutory requirements of patentability have been met. Where the subject matter of the patent would have been obvious to one skilled in the art at the time of the invention, no patent can be issued. 35 U.S.C. § 103. With regard to the particular situation of combinations of old ideas, the courts have clearly stated the law.

> "The mere aggregation of a number of old parts or elements which, in the aggregation, perform or produce no new or different functions or operation than that theretofore performed or produced by them, is not patentable invention." *Lincoln Eng'r Co. v. Stewart-Warner Corp.*, 303 U.S. 545, 549 (1939) (footnote omitted).[3]

[3]The Supreme Court has indicated that this definition is as precise as the subject permits. *Great Atl. & Pac. Tea Co. v. Supermarket Equip. Corp.*, 340 U.S. 147, 151 (1950).

See also, *Dwyer v. United States,* 457 F.2d 978 (Ct. Cl. 1966).

In *Great Atl. & Pac. Tea Co. v. Supermarket Equip. Corp.,* 340 U.S. 147 (1950), a finding of patentability was reversed because "neither court below has made any finding that old elements which made up this device perform any additional or different function in the combination than they performed out of it." 340 U.S. at 152.

In this circuit we have consistently followed this rule.

> "It follows that though a device may be new and useful it is not patentable if it consists of no more than a combination of ideas which are drawn from the existing fund of public knowledge, and which produces results that would be expected by one skilled in the art." *Griffith Rubber Mills v. Hoffar,* 313 F.2d 1, 3 (9th Cir. 1963) (footnote omitted).

See also, *Continental Connector Corp. v. Houston Fearless Corp.,* 350 F.2d 183 (9th Cir. 1965), *Coast Metals, Inc. v. Wall Colmonoy Corp.,* 315 F.2d 416 (9th Cir. 1963).

In *Bentley v. Sunset House Dist. Co.,* 359 F.2d 140, 144 (9th Cir. 1966), we said:

> "In assessing the patentability of combination patents, we are to apply a 'severe test,' whether 'the whole in some way exceeds the sum of its parts' to produce 'unusual or surprising consequences from the unification of the elements * * *,' Great A. & P. Tea Co. v. Supermarket Equipment Co., 1950, 340 U.S. 147, at 152, 71 S.Ct. 127, at 130, 95 L.Ed. 162."

It is apparent from the record and findings that the trial court tested patentability by the requirements of 35 U.S.C. §103, the test of obviousness. (*E. g.*, Findings of Fact Nos. 18, 25 and 28, C.T. 666-69.) Unquestionably these statutory requirements are prerequisite to the issuance of any patent. *Graham v. John Deere Co.*, 383 U.S. 1 (1966). But in the special case of combination patents, the "severe test", referred to in *Bentley v. Sunset House Dist. Co., supra,* must also be applied and satisfied before a combination patent can be recognized. *Zero Mfg. Co., Inc. v. Mississippi Milk Producers Ass'n,* 358 F.2d 853 (5th Cir. 1966); *Jeddeloh Bros. Sweed Mills, Inc. v. Coe Mfg. Co.,* (9th Cir.) No. 20662, decided November 23, 1966. The record in only one place reflects the application of this test to the patent in issue, which is admittedly a combination of old ideas. (Appellees' Brf., p. 51.)

Finding of Fact No. 8 is the only reference to a new function of the Lugash '227 loader. It is obvious from the authorities cited above that the test of a new function must be met or the patent is invalid. Therefore, in this case, logic dictates that if Finding of Fact No. 8 was clearly erroneous, then the judgment must be reversed. We believe we are required to hold that Finding of Fact No. 8 was clearly erroneous.

Finding of Fact No. 8:

> "Lugash Patent '227 creates a new organization of individually old elements giving new modes of operation to the elements of the combination, never before seen in the truck-loading art. *For the first time,* the power means moves a load platform into and out of a stored position. *For the first time,* the lifting arms of a truck loader function to move

an inverted platform into and out of a stored position. *For the first time,* both the power means and the lifting arms of a truck loader are given a dual function, i.e., they are active elements in accomplishing movement of the inverted platform into and out of a stowed position as well as being active in carrying out loading operations.

"Truck loaders embodying the inventions of Lugash '227 were the first loaders that could be stored in an out-of-the-way position ever to come into successful use in the trucking industry." (C.T. 664, emphasis added.)

The emphasized portions precede the supposed and only new function: *mechanical power to move the platform into the stored position.*[4] Appellant states that the inversion of the platform is done manually. (Appellant's Opening Brief, p. 6.) Appellees admit the same. (Appellees' Brief, p. 6, lines 11-13.) The court found as a fact that the inversion was manual. (Finding of Fact No. 6, C.T. 663-64.)

Invertible platforms were not unknown to previous loader components. Novotney showed a folding or inverted platform. The court found this inversion was "mechanically possible" (Finding No. 16) but not "inherent" (Finding No. 17) in Novotney. We think if "mechanically possible" it is disclosed by prior art.

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[4]The '227 file history discloses that original claims 1 to 3 and 5 to 9, inclusive, were rejected—"a tail gate elevator platform having parallelogram links and cable means to elevate the platform with its load while keeping it in its level position." (Exh. A, p. 17.)

Appellee then urged before the patent office, as its secondary object, that the '227 platform can be manually moved or folded back on hinge bolts 48 at the discretion of the operator into an inverted out-of-the-way position (beneath the truck bed) when not in use. (Exh. A, original claim 10.)

Finding of Fact No. 8 is not erroneous in its conclusion that Maxon's Tuk-a-Way loader is capable of moving up and down while the platform is in the inverted position. The error lies in the "for the first time" element. This "for the first time" element apparently is a result of the later Finding of Fact No. 21:

> "Narvestad '529, Peters '577 and Jester '243 do not disclose or suggest any means for utilizing the power means for effecting movement of an inverted platform into and out of a stowed-away position." (C.T. 667.)

Though there is a strong suggestion that this is contrary to the evidence (*e.g.*, T.R. 800-801), we need not decide whether this finding is erroneous because it is not conclusive. An examination of the Novotney patent (1940) clearly shows that the only possible way to raise or lower the lifting arms, whether the platform is extended or inverted, is with the power means. The only conclusion we can reach is that the use of a power means to elevate the lifting arms, ***whether the platform is inverted or extended,*** is neither an innovation nor a new function unique to Lugash '227.

We therefore conclude that the Lugash '227 patent has not been shown to perform a new or unexpected function in light of the prior art. *Great Atl. & Pac. Tea Co. v. Supermarket Equip. Corp., supra,* dictates that the patent is therefore invalid.

As to the Lugash '196 second or improvement patent, we uphold the trial court's finding that the concept of unitary construction was prior art. (Finding of Fact No. 33, C.T. 671.) Apparently Maxon agrees. (Opening Brief of Cross-Appellants, p. 19.) We have found that the elements of Lugash '227 are within the public

domain. As discussed above, the addition of another element of prior art cannot make the device patentable unless it then performs a new or surprising function. No such function has been shown for Lugash '196.

The district court was correct in finding Maxon and Lugash not guilty of false marking under 35 U.S.C. §292. Certain of Maxon's Tuk-a-Way loaders bore both patent numbers (Lugash '227 and Lugash '196), although some were not of the unitary construction specified by Lugash '196. The district court found no intent to deceive the public. We do not reach the question of intent. The label indicated patents, not any patent pending or applied for. Also, the marking was not done "without the consent of the patentee," nor was it done to "any unpatented article." The actions of the appellees, regardless of intention, have not met the requirements of the statute.

The judgment is REVERSED, and the case is remanded with instructions to dismiss the action for infringement and the counterclaim for false marking, and to enter the declaratory judgment of invalidity of Patent Nos. 2,837,227 and 2,989,196.

Order of the Court of Appeals for the Ninth Circuit.

In the United States Court of Appeals for the Ninth Circuit.

Santa Anita Mfg.. Corp., a California corporation, Appellant, vs. Max J. Lugash and Maxon Industries, Inc., a California corporation, Appellees.

Max J. Lugash and Maxon Industries, Inc., a California corporation, Cross-Appellants, vs. Santa Anita Mfg. Corp., a California corporation, Cross Appellee. No. 20,267.

ORDER.

Before: Barnes and Koelsch, Circuit Judges; and Thompson, District Judge.

The opinion of this Court, heretofore filed under date of December 6, 1966, is modified as follows in the first full paragraph, page 5 of the slip opinion:

(a) The word "also", in the eight line of said first full paragraph on page 5 is stricken;

(b) The words "decided November 23, 1966", in the twelfth line of said first full paragraph on page 5 are stricken, and the words: "Decided March 3, 1967" are inserted.

As so modified, the opinion stands, and Appellees and Cross-Appellants' petition for rehearing is denied.

Stanley W. Barnes
U.S. Circuit Judge

M. Oliver Koelsch
U.S. Circuit Judge

Bruce R. Thompson
U.S. District Judge

The Constitutional Provisions.

Art. 1, Sec. 8. The Congress shall have power . . . To promote the progress . . . of useful arts, by securing for limited times to . . . inventors the exclusive right to their . . . discoveries.

Amendment V. No person shall . . . be deprived of . . . property, without due process of law; . . . .

Excerpts From Title 35, United States Code.

PART II—PATENTABILITY OF INVENTIONS AND GRANT OF PATENTS

* * * * *

§ 101. *Inventions patentable*

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

§ 102. Conditions for patentability; novelty and loss of right to patent

A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other.

§ 103. Conditions for patentability; non-obvious subject matter

A patent may not be obtained through the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said

subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

* * * * *

§ 112. Specification

* * * * *

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention. A claim may be written in independent or dependent form, and if in dependent form, it shall be construed to include all the limitations of the claim incorporated by reference into the dependent claim.

* * * * *

§ 154. Contents and term of patent

Every patent shall contain . . . a grant to the patentee, his heirs or assigns, for the term of seventeen years, . . . of the right to exclude others from making, using, or selling the invention throughout the United States, referring to the specification for the particulars thereof.

* * * * *

§ 282. Presumption of validity; defenses

. . . Each claim of a patent (whether in independent or dependent form) shall be presumed valid independently of the validity of other claims; dependent claims shall be presumed valid even though dependent upon an invalid claim. . . .

The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded:

* * * * *

(2) Invalidity of the patent or any claim in suit on any ground specified in part II of this title as a condition for patentability,

* * * * *

Rule 52, Federal Rules of Civil Procedure.

FINDINGS BY THE COURT

(a) Effect. . . . Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses. . . .

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IN THE

Supreme Court of the United States

October Term, 1966
No. 312

MAX J. LUGASH and MAXON INDUSTRIES, INC.,
Petitioners,

vs.

SANTA ANITA MFG. CORP.,
Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITIONERS' PETITION FOR WRIT OF CERTIORARI.

Respondent hereby opposes the Petition for Writ of Certiorari filed herein by Petitioners on the primary ground that no special or important reasons exist for review by this Court.

JURISDICTION.

The grounds for jurisdiction, the constitutional provisions involved and the references to the opinions below are adequately set forth in the Petition and will be referred to herein.

NO JUSTICIABLE QUESTION PRESENTED.

The alleged questions presented on page 2 of the Petition are hypothetical, without substance and misleading. When the two questions concocted by Petitioners are stripped of their sophistry, it becomes evident that the actual question has been previously an-

swered by this Court. Petitioners are asking this Court to relax the standard of patentability and the questions should be stated:

> Did Congress by enacting 35 U.S.C. 103 and the Supreme Court in deciding *Graham v. Deere* 383 U.S. 1 (1966) intend to lower the standard of patentability applied by the Supreme Court in its prior decisions?

This Court has disposed of that question—

> "We have been urged to find in Section 103 a relaxed standard, supposedly a Congressional reaction to the 'increased standard' applied by this Court in its decisions over the last twenty or thirty years. The standard has remained invariable in this Court."
>
> 383 U.S. at 19.

This Court has made it clear that the standards of cases such as *Hotchkiss v. Greenwood,* 11 How. 248, *Lincoln Engineering Co. v. Stewart-Warner Corp.* 303 U.S. 545 and *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.* 340 U.S. 147, have not been overruled.

> "We believe that this legislative history as well as other sources, show that the revision was not intended to change the general level of patentable invention."
>
> 383 U.S. at 17.
>
> "* * *, it bears repeating that we find no change in the general strictness with which the overall test is to be applied."
>
> 383 U.S. at 19.

It is submitted that the Petition for Writ of Certiorari should be denied since it does not present questions within the purview of Rule 19 of this Court. This Court should not waste its time on moot questions.

FACTUAL STATEMENT OF THE CASE.

In the statements prefacing the companion cases considered by this Court in *Graham v. John Deere,* 383 U.S. 1 (1966), this Court stated:

> "Manifestly, the validity of each of these patents turns on the facts."
>
> 383 U.S. at 5.

In order to emphasize the futility and baseless character of the Petition, Respondent submits a brief factual presentation from the decision of the Court of Appeals for The Ninth Circuit in this tailgate loader case.

> "* * * Lugash '227 is a combination of two known elements, a parallel linkage system (taught by the previous Novotney Patent No. 2,194,403 issued in 1940) and an invertible platform (taught, e.g. by the previous Narvestad Patent No. 2,680,529 of 1954). * * *" (Petition, Page 33.)

The use of power for raising and lowering the parallel linkage system is shown in these patents as well as in many older patents. The platform is that portion of the device upon which a load can be placed and lifted onto the truck by the linkage. The provision of a hinge so as to permit the platform to be pivoted or

moved from a horizontal position to an upright or even an inverted position, is also extremely old.

"* * * Appellant states that the inversion of the platform is done manually. (Appellant's Opening Brief, p. 6.) Appellees admit the same. (Appellees' Brief, p. 6, lines 11-13) The court found as a fact that the inversion was manual. (Finding of Fact No. 6, C.T. 663-64)

"Invertible platforms were not unknown to previous loader components. Novotney showed a folding or inverted platform. The court found this inversion was 'mechanically possible' (Finding No. 16) but not 'inherent' (Finding No. 17) in Novotney. We think if 'mechanically possible' it is disclosed by prior art." (Petition, Page 36.)

"* * * An examination of the Novotney patent (1940) clearly shows that the only possible way to raise or lower the lifting arms, whether the platform is extended or inverted, is with the power means. The only conclusion we can reach is that the use of a power means to elevate the lifting arms, *whether the platform is inverted or extended,* **is neither an innovation nor a new function** unique to Lugash '227.

"We therefore conclude that the Lugash '227 patent has not been shown to perform a new or unexpected function in light of the prior art. *Great Atl. & Pac. Tea Co. v. Supermarket Equip. Corp., supra,* dictates that the patent is therefore invalid." (Petition, Page 37.)

On these uncontroverted facts, the Court of Appeals was compelled to hold the patents invalid in view of

the provisions of §§ 101, 102 and 103 or any two of them, of Title 35 U.S.C. and this Court's specific admonition that there is "no change in the general strictness with which the test is to be applied." Certainly, the combination of admittedly old elements is not new (§101) and it was described in printed publications and patents mor than one year prior to the date of the application (§102). The Court of Appeals was cognizant of this Court's opinion since it specifically referred to *Graham v. John Deere Co.* and stated:

> "Where the subject matter of the patent would have been obvious to one skilled in the art at the time of the invention, no patent can be issued. 35 U.S.C. §103."

The Trial Court (whose Judgment was the subject of appeal to the Court of Appeals here) had specifically held that Petitioners' patent "2,989,196 is invalid under 35 U.S.C. 103" (Petition, Page, 28, Item 8). The Court of Appeals confirmed the Trial Court's finding of invalidity as to this patent.

It also referred to this Court's standards of invention which have remained invariable for a great many years, including *Lincoln Engineering Co. v. Stewart-Warner Corp.*, 303 U.S. 545 and *Great Atlantic & Pacific Tea Co. v. Supermarket Equipment Corp.*, 340 U.S. 137. The Court of Appeals did not specifically or extensively discuss §103 in its opinion but on the facts, it was forced to hold the patent invalid because it failed to comply with each of the provisions of §§ 101, 102 and 103.

PETITIONERS FAIL TO ADVANCE A REASON FOR GRANTING THE PETITION.

The primary purported reason for granting the Writ, as stated by the Petitioners, is

> "The decision of the lower court declares as law that a combination of known elements cannot, under any circumstances, be patentable unless the elements perform a new function." (Petition, Page 7.)

The falsity and sophistry of this statement is emphasized by the phrase "under any circumstances". To compound the falsity, Petitioners state on page 10

> "The logical consequence of the Ninth Circuit's position is that no patent for a combination of known mechanical elements can be valid."

It is submitted that these purported "reasons" are false and Petitioners intentionally misrepresent. Less than four months after their decision in the instant case, the Ninth Circuit held valid a claim on a combination of old elements in *Hensley Equipment Co. Inc. v. Esco Corp.*, 373 F. 2d 432. This clearly indicates that the Ninth Circuit acknowledges the accuracy of this Court's observation that "the validity of each of these patents turns on the facts". The Court of Appeals for the Ninth Circuit is not declaring as law that a combination of known elements cannot under any circumstances be patentable unless an element performs a new function.

In the *Hensley Equipment Case,* the Appellate Court compared the old combination with a prior patent and found that three features of a certain claim, while individually old in the art produce a "beneficial coaction" which was not obtained in the prior art patents. Certain stresses were transmitted from the tip of the wear point to the adaptor and leap-frogged a pin, whereby deformation of the pin was avoided.

This "beneficial coaction" could also be termed an operative mechanical distinction (a phrase employed by this Court in the *Graham* case).

The decision of the Ninth Circuit holding Petitioners' patent invalid, specifically states that the patent **does not involve an innovation.** Innovation is defined as "the introduction of something new"; "something that deviates from established doctrine or practice" (Webster's Third New International Dictionary). In the instant case they also concluded that there was **no new function.** In the *Hensley Equipment Case,* the Ninth Circuit found a beneficial coaction which indicates that they were aware of this Court's decision in *U.S. v. Adams* 383 U.S. 39 at 51 wherein this Court stated that the Adams battery **"wholly unexpectedly"** had shown "certain valuable advantages over other batteries" (and was an innovation since it deviated from established doctrine or practice).

It is submitted that as long as general rules laid down by this Court and stated in the Patent Act are applied to admitted and uncontroverted facts, a Writ of Certiorari should not be granted on a play of words.

CONCLUSION.

It is respectfully submitted that the Petition for Writ of Certiorari should be denied since it does not present questions within the purview of Rule 19 of this Court or requiring judicial review by this Court. The Judgment of the Court of Appeals for the Ninth Circuit (which this Court is asked to review by the Petitioners) is not in conflict with the decisions of this Court or any other Court. No new question of federal law has been decided by the Ninth Circuit. The hypothetical and strained questions presented by the Petitioners are simply an attempt to restate questions previously settled by this Court. Finally, this Court should not waste time on moot questions or on subject matter which is not of public interest; Petitioners' invalid patents relate to power driven elevator loaders for trucks and are indistinguishable from similar loaders used twenty-five to thirty years ago (compare Appx. C, pp. 1, 2 and 3 of App. Op. Br., Volume II, R. 734).

Respectfully submitted,

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IN THE

Supreme Court of the United States

October Term, 1967

No. 312

MAX J. LUGASH and MAXON INDUSTRIES, INC.,
Petitioners,

vs.

SANTA ANITA MANUFACTURING CORPORATION,
Respondent.

PETITIONERS' REPLY BRIEF.

(1) Respondent Inferentially Concedes the Validity and Urgency of the Reasons Advanced by Petitioners as Warranting the Grant of Certiorari.

Respondent's brief fails to meet petitioners' contentions. Instead, respondent seeks to rely on the fact that, since *Graham v. Deere,* 383 U.S. 1, the Ninth Circuit has "held valid a claim on a combination of old elements in *Hensley Equipment Co., Inc. v. Esco Corp.,* 373 F.2d 432".* (Br. p. 6).. From this, respondent argues "The Court of Appeals for the Ninth Circuit is not declaring as law that a combination of known elements cannot under any circumstances be patentable unless an element performs a new function" (Br. p. 6). Respondent overstates the *Hensley* decision.

In *Hensley,* the Ninth Circuit held that claim 8 of the involved Baer patent on a combination of known

*The correct citation to *Hensley* is 375 F. 2d 432.

elements was valid because of a "new result", *i.e.*, a "cantilever effect" in a two-part excavating tooth. But there was another combination claim in suit, number 9, which the trial court had held valid but which the appellate court held invalid because it did not produce that new result, saying, "Without that cantilever effect, the claim 9 combination is of doubtful novelty and, we conclude, is obvious". 375 F.2d, at 437.

Respondent's brief nowhere takes note of what is manifest in the *Hensley* decision—*i.e.*, the fact that one claim was held valid solely because of a new function or result and that another claim was held invalid solely for lack of a new function or result.

While respondent argues that, in *Hensley*, the Ninth Circuit acknowledges the accuracy of this Court's observation that "the validity of each of these patents turns on the facts" (Br. p. 6), its brief nowhere mentions that the appellate court in that case also stated that the obviousness or non-obviousness of the subject matter of a patent presents a question of *law*. 375 F.2d, at 436.

Thus, the situation in the Ninth Circuit regarding patentability of combinations of known elements is precisely as presented in the petition, *i.e.*, the Ninth Circuit has declared, as law, that a combination of known elements cannot, under any circumstances, be patentable unless the elements perform a new function (Petition, p. 7). Plainly, respondent's characterization of this proposition as "falsity and sophistry" (Br. p. 6) is unwarranted hyperbole resorted to out of inability to support the position of the Ninth Circuit on authority, principle or logic.

(2) Respondent Confuses Tests of Patentability With the Strictness of Application of Those Tests.

Petitioners are not "asking the Court to relax the standard of patentability" (Br. 2), but only to declare that the same test of patentability be applied to *all* patents. Briefly stated, petitioners contend that the action of the appellate court directly conflicts with the Patent Act of 1952 and holdings of this Court and other appellate courts (Petition, pp. 7-12), because the Ninth Circuit is discriminating against combination patents by adding a fourth test of patentability, one of "special strictness", *Hensley v. Esco,* 375 F.2d, at 436, to the three tests specified in the Patent Act. To petition this Court for a ruling that mechanical combination patents cannot lawfully be discriminated against as subject to a non-statutory fourth dimensional test is plainly not a request to lower the overall standard of patentability. Such a contention by respondent (Br. pp. 1-2) is patently a "straw man". On the contrary, what the petitioners seek is to have the Lugash mechanical combination patents tested solely by the three exclusive criteria of the Patent Act at the same level of strictness applicable to non-mechanical patents.

(3) Respondent's Brief Misstates the Record.

Respondent, at some length, asserts that the appellate court was dealing with "uncontroverted facts" and that it held the Lugash patents invalid on all of 35 U.S.C. 101, 102, 103 (Br. pp. 4, 5, 7). These assertions are fiction so far as the actual record in this case is concerned.

As for the facts, the Court of Appeals treated the Lugash '227 patent as a combination of two elements, an act irreconcilable with the actual claims and with the trial court's Finding 7 (Petition App., p. 16). The view that platform inversion was "mechanically possible" in prior Novotney '403, is based solely on argumentative oral testimony of defendant's witnesses [R. V. 483, VII 786], a view in which the appellate court gave no weight to the trial court's Finding 16 that nothing in Novotney '403 even suggests such function (Petition App., p. 18). The appellate court thought that the record in only one place reflected the application of a test of new function to the Lugash '227 patent, *i.e.,* Finding 8 (Petition App., p. 35), totally overlooking another finding of new function, *i.e.,* Finding 22 (Petition App., pp. 19, 20). The appellate court's overturning of Finding 8 because the court saw in Novotney '403 the use of power means to elevate the lifting arms, whether the platform is inverted or extended (Petition App. p. 37), is in the face of unchallenged evidence that such is a futile, unworkable function never comprehended by Novotney [R. VII 894; Petition App., p. 18; Findings 15, 16, 17].

Capping off its argument on the facts, respondent asserts that the Lugash patent devices are "indistinguishable from similar loaders 25 to 30 years ago" (Br. p. 8) in spite of the trial court's conclusion that Lugash '227 constitutes a marked advance in the art (Petition App., p. 25).

The petition, with supporting record references to the findings and evidence, specifically controverts the Court of Appeals' view of the patents in suit and the prior art (Petition, pp. 12-17). Respondent's brief nowhere attempts to show any record support for the Court of Appeals' view of the facts.

Respondent's assertion that the Court of Appeals held both Lugash patents in suit to be invalid under all of 35 U.S.C. 101, 102 and 103, is utterly without foundation in the opinion of the appellate court. The fact that respondent makes this contention without supporting reference to any portion of the appellate court's opinion or to any portion of the record in this matter is noteworthy. As was pointed out in the petition, at pages 7 to 10, the appellate court held both Lugash patents invalid *solely* under its special, severe test of new function for combinations of known elements and totally begged the question of 35 U.S.C. 103 non-obviousness (Petition, pp. 17, 18). The actual questions presented by this case are those stated in the petition, important questions which respondent's brief has avoided.

Conclusion.

Petitioners submit that settlement of the questions presented by the petition is of great practical importance in the administration of the patent system since combination patents, the most numerous type, are involved. There is square conflict among courts of appeal as to whether a "new function or result" is re-

quired in such cases. The Ninth Circuit is in direct conflict with this Court's mandate that courts shall give effect to statutory, rather than non-statutory, tests of patentability. Uniformity of decision will be frustrated so long as the position of the Ninth Circuit goes unchecked by this Court. We submit that these are compelling reasons warranting issuance of a writ of certiorari to the United States Court of Appeals for the Ninth Circuit.

Respectfully submitted,

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